

102 - Dept of Financial Institutions

A001 Agency Management and Administrative Services

The Administration Division provides administrative and technical services for the Department of Financial Institutions. Activities include policy and legal advice; communications; human resources, financial and budgeting services; and information systems. The activities provide the support and framework to effectively carry out the department's mission.

	FY 2006	FY 2007	Biennial Total
FTE's	28.0	28.5	28.3
GFS	\$0	\$0	\$0
Other	\$2,916,000	\$3,256,000	\$6,172,000
Total	\$2,916,000	\$3,256,000	\$6,172,000

Statewide Result Area: Improve the economic vitality of businesses and individuals

Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

Implement Washington Works and an approved performance management system, which clarifies and delineates performance management expectations, roles, accountabilities, and competency requirements, and provides viable training for supervisors and employees.

A002 Chartering, Licensing and Registration

The Department of Financial Institutions evaluates and approves for banks and credit unions: new applications, mergers, conversions, branches, and corporate governance changes. The department also conducts licensing, registration, and exemption activities for the following financial entities and persons: broker dealers, broker dealer representatives, investment advisers, investment adviser representatives, securities issuers, franchises, franchise brokers, business opportunities, escrow agents, escrow officers, mortgage brokers, check cashers and sellers (payday lenders), money transmitters, currency exchangers, and consumer loan companies.

	FY 2006	FY 2007	Biennial Total
FTE's	25.4	27.5	26.5
GFS	\$0	\$0	\$0
Other	\$2,422,000	\$2,731,000	\$5,153,000
Total	\$2,422,000	\$2,731,000	\$5,153,000

Statewide Result Area: Improve the economic vitality of businesses and individuals

Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Appropriation Period: 2005-07 Activity Version: 2E - Agency recast for 06 supplemental

Expected Results

Average number of business days to process and issue a license.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	5		
	7th Qtr	5		
	6th Qtr	5		
	5th Qtr	5		
	4th Qtr	5		
	3rd Qtr	5	15.05	10.05
	2nd Qtr	5	2.81	(2.19)
	1st Qtr	5	2	(3)
Respond in a timely manner to licensing and registration applications. 5203.				

Turnaround time in calendar days for initial response to securities and franchise registration applicants.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	20		
	7th Qtr	20		
	6th Qtr	20		
	5th Qtr	20		
	4th Qtr	20		
	3rd Qtr	20	9.4	(10.6)
	2nd Qtr	20	9.7	(10.3)
	1st Qtr	20	8.9	(11.1)
Respond in a timely manner to licensing and registration applications.				

A003 Education and Public Outreach

The department conducts consumer education and stakeholder outreach activities and provides technical assistance and regulatory guidance to banks, credit unions, securities and consumer lending industry participants. Activities may include, but are not limited to: presentations, town meetings, press conferences, technical assistance, advisory letters and bulletins, addressing consumer concerns, and all other related activities that provide education and information to assist consumers and other stakeholders.

	FY 2006	FY 2007	Biennial Total
FTE's	4.3	5.2	4.8
GFS	\$0	\$0	\$0
Other	\$477,000	\$456,000	\$933,000
Total	\$477,000	\$456,000	\$933,000

Appropriation Period: 2005-07 Activity Version: 2E - Agency recast for 06 supplemental

Statewide Result Area: Improve the economic vitality of businesses and individuals
Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

Percentage of consumers who rate Department of Financial Institutions outreach program and materials as helpful.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	85%		
	7th Qtr	85%		
	6th Qtr	85%		
	5th Qtr	85%		
	4th Qtr	80%		
	3rd Qtr	80%	78%	(2)%
	2nd Qtr	80%	75.3%	(4.7)%
	1st Qtr	80%	88%	8%
Expand consumer education/outreach and raise awareness of Department of Financial Institutions.				

A004 Enforcement

The department conducts various types of supervisory, surveillance, and enforcement activities to detect and take corrective action for violations of the regulatory and anti-fraud statutes applicable to financial institutions. Activities include: complaint processing, investigation, and appropriate action against securities issuers and brokers, investment advisers, mortgage brokers, check cashers and sellers (payday lenders), money transmitters, currency exchangers, consumer loan companies and escrow agents; and investigation and appropriate actions against banks and credit unions. Coordination and assistance to other law enforcement agencies and prosecutors, and providing testimony in courts of law are additional activities associated with enforcement.

	FY 2006	FY 2007	Biennial Total
FTE's	36.4	36.4	36.4
GFS	\$0	\$0	\$0
Other	\$4,300,000	\$4,904,000	\$9,204,000
Total	\$4,300,000	\$4,904,000	\$9,204,000

Statewide Result Area: Improve the economic vitality of businesses and individuals
Statewide Strategy: Provide consumer protection

Expected Results

Appropriation Period: 2005-07 Activity Version: 2E - Agency recast for 06 supplemental

Average number of business days to assess, investigate, and resolve consumer complaints.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	120		
	7th Qtr	120		
	6th Qtr	120		
	5th Qtr	120		
	4th Qtr	120		
	3rd Qtr	120	249	129
	2nd Qtr	120	123	3
	1st Qtr	120	135	15
<i>Enhance protection for consumers engaging in investments and other financial transactions.</i>				

Number of enforcement actions taken per year.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	200		
	4th Qtr	200		
	3rd Qtr	0	114	114
	2nd Qtr	0	75	75
	1st Qtr	0	44	44
<i>Enhance protection for consumers engaging in investments and other financial transactions.</i>				

A005 Examinations

The department performs several types of examinations. The three primary examinations are: (1) Compliance and for-cause examinations of securities broker dealers, mortgage brokers, mortgage broker dealers, investment advisers, escrow agents, escrow officers, debenture companies, check cashers and sellers (payday lenders), consumer loan companies, money transmitters, and currency exchangers; (2) Safety and soundness examinations of banks, credit unions, debenture companies, money transmitters, trust companies, Small Business Association (SBA) lenders, and industrial development corporations; and (3) Information system examinations of banks and credit unions.

	FY 2006	FY 2007	Biennial Total
FTE's	75.6	81.3	78.5
GFS	\$0	\$0	\$0
Other	\$8,187,000	\$9,187,000	\$17,374,000
Total	\$8,187,000	\$9,187,000	\$17,374,000

Statewide Result Area: Improve the economic vitality of businesses and individuals

Appropriation Period: 2005-07 Activity Version: 2E - Agency recast for 06 supplemental

Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

Percentage of banking assets held at institutions with satisfactory ratings.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	95%		
	7th Qtr	95%		
	6th Qtr	95%		
	5th Qtr	95%		
	4th Qtr	95%		
	3rd Qtr	95%	96%	1%
	2nd Qtr	95%	96%	1%
	1st Qtr	95%	94%	(1)%
Return problem institutions to a safe and sound condition.				

Percentage of banks with satisfactory examination ratings.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	90%		
	7th Qtr	90%		
	6th Qtr	90%		
	5th Qtr	90%		
	4th Qtr	90%		
	3rd Qtr	90%	97%	7%
	2nd Qtr	90%	92%	2%
	1st Qtr	90%	91%	1%
Return problem institutions to a safe and sound condition.				

Appropriation Period: 2005-07 Activity Version: 2E - Agency recast for 06 supplemental

Percentage of credit union assets held at institutions with satisfactory ratings.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	95%		
	7th Qtr	95%		
	6th Qtr	95%		
	5th Qtr	95%		
	4th Qtr	95%		
	3rd Qtr	95%	99%	4%
	2nd Qtr	95%	99%	4%
	1st Qtr	95%	98%	3%
Return problem institutions to a safe and sound condition.				

Percentage of credit unions with satisfactory examination ratings.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	80%		
	7th Qtr	80%		
	6th Qtr	80%		
	5th Qtr	80%		
	4th Qtr	80%		
	3rd Qtr	80%	91%	11%
	2nd Qtr	80%	89%	9%
	1st Qtr	80%	83%	3%
Return problem institutions to a safe and sound condition.				

Appropriation Period: 2005-07 Activity Version: 2E - Agency recast for 06 supplemental

Grand Total

	FY 2006	FY 2007	Biennial Total
FTE's	169.7	178.9	174.3
GFS	\$0	\$0	\$0
Other	\$18,302,000	\$20,534,000	\$38,836,000
Total	\$18,302,000	\$20,534,000	\$38,836,000